



BOARD MEETING MINUTES
Iowa Finance Authority Presentation Room
2015 Grand Avenue
Des Moines, Iowa
July 11, 2012

Board Members Present

Darlys Baum, Chair	Jeffrey Heil
David Erickson, Vice Chair	Michel Nelson
Carmela Brown, Treasurer	Eric Peterson
David Greenspon	Ruth Randleman

Board Members Absent

Heather Armstrong

Staff Members Present

David Jamison, Executive Director/Board Secretary	Wes Peterson, Assistant to the Director
Lori Beary, Community Development Director	Mark Thompson, General Counsel
Stacy Cunningham, LIHTC Analyst	Rob Tietz, Finance & Funding Manager
Mark Fairley, Finance & Investment Manager	Dave Vaske, LIHTC Manager
Steve Harvey, Chief Operating Officer	Nancy Wallis, Administrative Assistant/ Recording Secretary
Geri Huser, TGD Director	Joanna Wilson, Associate General Counsel
Ashley Jared, Communications Director	
Carolann Jensen, Chief Administration Officer	

Others Present

Jay Byers – Greater Des Moines Partnership	Eugene Meyer – Greater Des Moines Partnership
Jim Conlin – Conlin Properties	Mary Neiderbach – City of Des Moines
Rita Conner – City of Des Moines	Kenneth Ohms – Legislative Services Agency
Scott Fitzpatrick – Midwest Housing Equity Group	James Smith – Dorsey & Whitney, LLP
Dan Garrett – Midwest Housing Equity Group	James Stretz – George K. Baum Company
Dean Hoag – Republic Abstract	David Vos – The Alexander Company
Craig Johnson – Conlin Properties	John Weichmann – Midwest Housing Equity Group
Tim Leach – Greater Des Moines Partnership	
Bret Mills – Conlin Properties	

Call to Order

Chair Baum called to order the July 11, 2012, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:06 a.m. Roll call was taken and a quorum was established with the following Board members present: Baum, Brown, Erickson, Greenspon, Heil, Nelson, Peterson and Randleman.

Consent Agenda

Chair Baum introduced the consent agenda and asked if anyone had any items to be removed. Mr. Erickson asked that Resolution ED 12-17A be removed because he had a conflict of interest on that item. There being no further objections, on a motion by Mr. Greenspon and a second by Mr. Peterson, the Board unanimously approved the consent agenda, which included approval of the minutes from the June 5, 2012, IFA/TGD Board workshop; approval of minutes from the June 6, 2012, IFA Board meeting; approval of Resolution ED 12-16A, Martin Brothers Distributing Project; approval of Resolution WQ 12-12, Non-Point Source Loan for Iowa Natural Heritage Foundation – Buchanan County Tract; and approval of Resolution WQ 12-13, SRF Construction Loans.

Resolution ED 12-17A, PurFoods Ankeny Manufacturing Facility Project

Chair Baum introduced the resolution, at which time Mr. Erickson reported that he had a conflict of interest on the project. He submitted a letter stating his conflict and said he would abstain from voting.

MOTION: Mr. Heil made a motion to adopt the resolution approving an application for \$3,525,000 of Iowa Finance Authority Economic Development Revenue Bonds (PurFood Ankeny Manufacturing Facility Project), Series 2012, for PFRL LLC (the “Borrower”), and evidencing the intent to proceed with the issuance of \$3,525,000 of Economic Development Revenue Bonds. On a second by Ms. Randleman, a vote was taken with the following results: **YES:** Brown, Greenspon, Heil, Nelson, Peterson, Randleman and Baum; **NO:** None; **ABSTAIN:** Erickson [see attached letter]. The Board approved Resolution ED 12-17A on a majority vote.

Administration

ELECTION OF OFFICERS

Chair Baum asked for nominations for Chair of the Board. Mr. Heil made a motion to nominate Ms. Baum to continue as Chair. On a second by Ms. Randleman, the Board voted unanimously to approve Chair Baum as ongoing Chair.

Chair Baum then opened the floor for nominations for Vice Chair. Mr. Greenspon made a motion to renew the existing slate of officers, with Mr. Erickson as Vice Chair and Ms. Brown as Treasurer. On a second by Mr. Heil, the Board unanimously approved the existing slate of officers to continue another year.

SUMMARY & OVERVIEW

Director Jamison reported that Governor Branstad has appointed Mr. Steve Ferguson as Director of the Iowa Agricultural Development Authority. He also announced that IFA’s homelessness program, Homelessness Prevention and Rapid Rehousing, also known as Iowa Rental Help, would be coming to a close on July 13, 2012, although other forms of assistance are still available through local service providers throughout the state. Director Jamison noted that the program helped more than 17,650 Iowans stay in their homes or to be re-housed from 2009 through July 13, 2012.

Director Jamison referred to a letter from Ms. Jensen in the Board materials providing some information about the contract with RDG for the housing study. He also said that Ms. Deb Haugh will begin as IFA’s Director of Single-Family Production on July 16, 2012; Ms. Beth Mahaffey will begin on August 16, 2012 as IFA’s Business Development Director; and Ms. Cindy Harris will begin later in the summer as IFA’s CFO.

Director Jamison then asked Ms. Stacy Cunningham to come forward to be recognized with the IFA Award of Excellence certificate for her excellent service to IFA and the citizens of Iowa, specifically for her work on the creation and writing of the 2012 Tax Credit Application Manual. After Director

Jamison and Chair Baum presented Ms. Cunningham with a certificate, Chair Baum thanked her on behalf of the Board members for her efforts.

ACCOUNTING AND FINANCE

Review of Financial Statement

Mr. Harvey presented the May 2012 financial results. He reported that as a housing agency, year-to-date net operating income of \$20,703,946 is favorable to budget by \$8,742,424.

Mr. Harvey noted that the State Revolving Fund year-to-date net operating income of \$54,469,228 is \$31,310,005 favorable to budget.

MOTION: On a motion by Ms. Brown and a second by Mr. Erickson, the Board unanimously accepted the May 2012 financial statement.

Review of Internal Controls Report

Mr. Harvey introduced the semi-annual report on internal controls. He said the report has been signed by the entire executive leadership team, affirming that there have been no material changes to the internal controls framework, no fraud or suspected fraud and no allegations of fraud affecting IFA.

MOTION: On a motion by Mr. Nelson and a second by Ms. Randleman, the Board unanimously accepted the semi-annual internal controls report.

LEGAL

Adopted & Filed Emergency and Notice of Intended Action: Amendments to Chapter 26, Water Pollution Control Works and Drinking Water Facilities Financing

Ms. Beary reported that IFA has lowered the Loan Origination Fee and changed the schedule on which the borrowers pay the servicing fee. She said the proposed amendments allow IFA to bill the borrowers twice each year, instead of only once, to make the billing easier for the borrower to plan for and understand.

Mr. Thompson explained that staff is asking the Board to approve the amendments emergency in order for them to become effective immediately for the benefit of the borrowers, but also to approve the Notice of Intended Action so the amendments may proceed through the normal rule-making process, allowing time for public comment.

MOTION: On a motion by Mr. Nelson and a second by Mr. Greenspon, the Board voted unanimously to approve the emergency adoption and filing as well as the Notice of Intended Action for amendments to Chapter 26, Water Pollution Control Works and Drinking Water Facilities Financing.

COMMUNICATIONS

Ms. Jared announced that *The Meaning of Homeownership* contest received more than 100 entries and that the voting would continue at www.Facebook.com/IowaFinance until July 15, 2012. She also reported that media events were held in seven locations around the state to provide information about the contest, the new Homes for Iowans Plus program and the availability of Military Homeownership Assistance program funding which started again on July 2, 2012.

Ms. Jared then spoke briefly about television and radio public service announcements that will be distributed state-wide to provide additional information about Iowa Mortgage Help. She also told about the educational and professional development sessions that will be available at the 2012 HousingIowa Conference on September 5-6, 2012.

Community Development Programs

ECONOMIC DEVELOPMENT

Resolution ED 11-06B-1, Cargill, Inc. Project

Ms. Beary introduced the resolution amending Resolution ED 11-06B, which authorized the issuance of an amount not to exceed \$200,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the Cargill, Incorporated Project. She explained that the original resolution authorized the issuance of \$75,000,000 in Series 2011A bonds and \$125,000,000 in Series 2011B bonds. Ms. Beary said that the Series 2011A bonds were issued on June 1, 2011, but that the Series 2011B bonds were never issued. She reported that Cargill now wants to issue the bonds but IFA needs to amend the original resolution to change the name to Series 2012A bonds.

Ms. Beary stated that the bonds will be used for the cost of improvements to facilities in Bloomfield, Ottumwa, Cedar Rapids, Eddyville, Fort Dodge, Iowa Falls and Mason City. She said the inducement resolution was adopted by the Board on May 4, 2011, and that the project has an allocation of Midwestern Disaster Area Revenue Bonds. Ms. Beary noted that the public hearing was held at 8:30 a.m. on July 11, 2012, and that IFA has received no written or verbal comments about the project.

MOTION: Mr. Nelson made a motion to adopt the resolution amending Resolution ED 11-06B regarding not to exceed \$200,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds (Cargill, Incorporated Project), Series 2011A and Series 2011B. On a second by Mr. Greenspon, the Board voted unanimously to adopt Resolution ED 12-06B-1.

Resolution ED 12-12B, Cottage Grove Place Project

Ms. Beary introduced the resolution authorizing the issuance of an amount not to exceed \$23,000,000 of Iowa Finance Authority Health Care Facilities Revenue Refunding Bonds for the Cottage Grove Place Project in Cedar Rapids. She reported that the bonds will be used to refund outstanding bonds, and that the amount of the bonds has increased from \$19,000,000 to \$23,000,000. Ms. Beary explained that the borrower intends to make a tender offer for the prior bonds and then redeem them, with the intent of making the tender offer price higher than originally anticipated.

Ms. Beary said that Cottage Grove Place, a 501 c (3) non-profit corporation, is a continuing care retirement community consisting of independent living apartments, assisted living and skilled nursing care. She noted that the proceeds of the original bonds were used to construct the facility. Ms. Beary reported that the Board adopted the inducement resolution on June 6, 2012, with the public hearing held at 8:30 a.m. on July 11, 2012, and with no written or verbal comments received by IFA about the project.

Mr. Erickson submitted a letter stating that he had a conflict of interest because a law partner of his was counsel to the borrower. He said he would abstain from discussing and voting on the project.

MOTION: Ms. Brown made a motion to adopt the resolution authorizing the issuance of not to exceed \$23,000,000 of Health Care Facilities Revenue Refunding Bonds (Cottage Grove Place Project) for the purpose of making a loan to assist the borrower in the acquisition, construction, improvement and equipping of a project; authorizing the execution and delivery of certain financing documents pertaining to the project; authorizing an assignment of certain financing documents for further securing the payment of the bonds; authorizing the sale of the bonds; and related matters. On a second by Mr. Peterson, a vote was taken with the following results: **YES:** Brown, Greenspon, Heil, Nelson, Peterson, Randleman and Baum; **NO:** None; **ABSTAIN:** Erickson [see attached letter]. The Board approved Resolution ED 12-12B on a majority vote.

Resolution ED 12-13B, Alcoa Inc. Project

Ms. Beary introduced the resolution authorizing the issuance of an amount not to exceed \$250,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the Alcoa Inc. Project in Davenport. She explained that the bonds will be used for the expansion of the current facility that manufactures parts for the automotive industry, which will result in an additional 150 jobs in Davenport. Ms. Beary stated that the project will require an allocation of Midwestern Disaster Area Bonds. She said the Board adopted the inducement resolution on June 6, 2012, and that the public hearing was held at 8:30 a.m. on July 11, 2012, with no written or verbal comments received by IFA regarding the project.

MOTION: Ms. Randleman made a motion to adopt the resolution authorizing the issuance of not to exceed \$250,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds (Alcoa Inc. Project), Series 2012, for the purpose of making a loan to assist the borrower in the acquisition, construction, reconstruction and/or renovation of a project; authorizing the execution and delivery of certain financing documents pertaining to the project; authorizing an assignment of certain financing documents for further securing the payment of the bonds; authorizing the sale of the bonds; authorizing the appointment of a trustee; and related matters. On a second by Mr. Erickson, the Board voted unanimously to adopt Resolution ED 12-13B.

HousingIowa

Resolution HI 12-15, Establishing 2012 Tax Credit Waiting List

Chair Baum and Mr. Vaske announced that this item was being removed from the agenda.

Title Guaranty Division (TGD)

Ms. Huser reported briefly on marketing and customer service planning for TGD.

Miscellaneous Items

Receive Comments from General Public

Chair Baum opened the public comment period and asked if anyone in the audience would like to address the Board.

Mr. David Vos, with The Alexander Company, addressed the Board regarding the use of 4 percent tax credits and issues surrounding the unit cost cap in conjunction with transforming the downtown Des Moines Younkers building into affordable housing units.

Mr. Jay Byers, CEO of the Greater Des Moines Partnership, spoke on behalf of the City of Des Moines and the Greater Des Moines Partnership in favor of the Younkers building project receiving assistance from IFA to create additional downtown affordable housing.

There being no additional audience members wishing to address the Board, Chair Baum closed the public comment period.

Adjournment

There being no further business, on a motion by Mr. Greenspon and a second by Mr. Erickson, the July 11, 2012, meeting of the IFA Board of Directors adjourned at 11:47 a.m.

Dated this 1st day of August 2012.

Respectfully submitted:

Approved as to form:

David D. Jamison
Executive Director/Board Secretary
Iowa Finance Authority

Darlys J. Baum, Chair
Iowa Finance Authority

S:\Administration\Board\Minutes\Minutes 2012\7-11-12Minutes.doc

Memorandum

To: David Jamison, Executive Director
Mark Thompson, General Counsel
Nancy Wallis, Administrative Assistant

From: David Erickson

Date: July 11, 2012

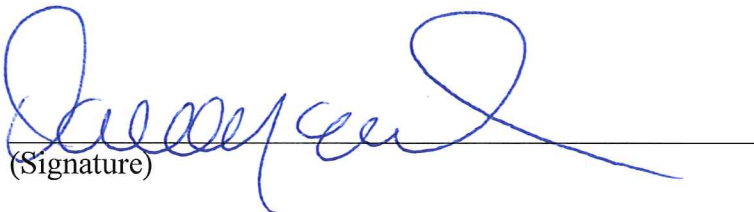
Re: Disclosure of Conflict of Interest

Pursuant to Iowa Code section 16.3A, the undersigned member of the Board of the Iowa Finance Authority hereby discloses the following conflict of interest with respect to

Resolution ED 12-17A and Resolution ED 12-12B:

A partner in law firm is counsel to the borrower.

Because of the Conflict, the undersigned will not participate in action by the Authority with respect to the matter described above.



(Signature)

David M. Erickson
(Printed Name)